



UPS TEAMSTER UPDATE

JANUARY 2011

Express Carrier Update

Teamsters Fight for Fairness

Since 1996, when FedEx Express used its lobbying power to preserve an unfair loophole in federal law, the Teamsters have been fighting to overturn it.

The loophole allows FedEx Express to treat its entire work force of drivers, loaders, unloaders and sorters as if they are airline pilots when they attempt to form a labor union. This means that nearly 100,000 FedEx Express employees are essentially denied the right to form a union.

In 2009 and 2010 Congress was poised to finally fix the loophole and pass the Express Carrier Employee Protection Act, which would mandate that FedEx's non-airline employees be treated the same way as other similarly situated employees who work for every other package delivery company in the country. In 2009, the Express Carrier Employee Protection language was included in the FAA Reauthorization Act. The House of Representatives passed the bill by a two-to-one margin and although

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Job Harassment: Don't Let It Go UNREPORTED

Teamsters Union Steps Up Contract Enforcement

UPS Teamsters expect a fair degree of stress on the job, but they also have a contractual right to a fair day's pay for a fair day's work.

Everyone is aware of the tough economic times that we are in, but UPS is weathering the current economic storm and package volumes remain high. Unfortunately, citing the current economic climate, UPS has stepped up harassment of their workers and imposed unreasonable production standards on its work force.

Luckily, our members and shop stewards, who are on the front lines of these attacks, are fighting back using the tools they have in the contract. Teamster shop stewards and agents have done a terrific job of identifying the problem, filing strong grievances and bringing well-documented cases to the regional and national grievance panels.

A Strong Case

One recent example of a victory at the Teamsters-UPS National Grievance Panel

was a case brought by Local 2785 in San Francisco. In this instance, a Menlo Park Center driver was singled out by his labor managers, subjected to numerous OJS rides with his supervisor, and eventually, subjected to a weekly review process that lasted for two straight months.

In a center with 100 drivers, only this one driver was brought in to his manager's office on a weekly basis, repeatedly told that his performance was lacking, and threatened with discipline.

During the height of this member's harassment, his manager threatened to fire him for gross insubordination when he requested his shop steward.

Ed Lynch, the UPS business agent for Local 2785, handled the grievance and made an information request that included timecard stats and records of supervisors' discussions with the employee.

"From this information, the local union was able to build the case that this worker was being personally targeted for discipline, even though his route was expanded to a wider area by his managers and he actually maintained his produc-

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tion standards,” Lynch said. “The Grievance Panel directed the company to stop the harassment over the supervision, and all the discipline was removed from his file.”

Fair Pay

Armed with information from Teamster shop stewards and business agents, Package Division Director Ken Hall has informed UPS management that all harassment of employees must stop.

“UPS management has agreed to review their conduct across the country and put an end to this harassment due to unrealistic and unreasonable production standards,” Hall said. “They’ve been warned that our members, stewards and agents are paying very close attention to the issue. If they harass our members, we will take the time to build strong cases and file them accordingly. And we will continue to take whatever additional action is necessary to ensure that UPS complies with the principle of a fair day’s work for a fair day’s pay.”



Left to right: Local 2785 Business Agent Joe Cilia, shop steward Angelo Demma, Package Division Director Ken Hall, member David Acosta and Business Agent Ed Lynch at the Western Region UPS Grievance Panel.

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we knew it would be more difficult in the Senate, we were hopeful that they would do the right thing and pass the bill in 2010.

In 2010, we had the best shot we have had since 1996 at realizing our goal of leveling the playing field for FedEx Express workers and having the bill passed.

The Teamsters Union turned the spotlight on FedEx’s shameful behavior. Our campaign, FedEx Drivers Aren’t Pilots (www.fedexdriversarentpilots.com), brought significant national attention to FedEx’s outrageous attempts to maintain an unfair advantage in the industry. Teamster members from across the country sent in thousands of letters and cards to members of



Congress in support of the legislation. Teamster leaders, along with Teamster members at UPS and even some brave FedEx Express employees, spent many hours on Capitol Hill lobbying for a change.

FedEx has a long history of using political influence and spending millions of dollars to intimidate lawmakers. FedEx Chairman Fred Smith even threatened to pull a contract worth billions of dollars for new airplanes from Boeing if the law passed.

Unfortunately, Republicans in the Senate, caring more about FedEx’s lobbying dollars than fairness for FedEx’s employees, caused the bill to stall and it was not passed during the last session of Congress.



The outcome of the recent elections will make it much more difficult to get the Express Carrier language passed during the next couple of years. But the Teamsters remain committed to helping FedEx Express workers gain the same rights to organize as other employees in their industry.

We know plenty of work remains and our fight is not over to bring fairness to FedEx employees. We ask you to remain strong and continue to answer the call when we ask for your help in the near future. This fight is far from over.

We know that when we stand together in solidarity, we are a powerful force for change. We look forward to continuing our fight for fairness in 2011.

UPS vs. FedEx

FedEx's lobbying offensive and CEO Fred Smith's political clout translate into big dollars for the UPS competitor, and these numbers show exactly why FedEx launched a multi-million dollar lobbying offensive to thwart the legislation that would level the playing field in the package industry.

By doing everything in its power to remain nonunion, FedEx Express maintains a stronghold over its employees and a clear competitive advantage over UPS.

The numbers breaking down average

wages at the two companies show that the average full-time package driver at UPS makes nearly \$18 dollars an hour more including wages and benefits than the person doing the same job at FedEx Express.

A contract makes all the difference for inside part-time workers at UPS as well, who make over \$12 dollars an hour more than their FedEx counterparts when health and welfare and pension contributions are factored in. Part-timers at FedEx have no pension and must pay all of their own

health care costs.

FedEx will stop at nothing to keep its employees from enjoying the benefits of a union contract regardless of which sector of FedEx they work in. FedEx continues to misclassify its Ground and Home Delivery work force as "independent contractors" in order to avoid thousands of dollars per driver in wages and benefit contributions, not to mention other costs such as payroll taxes, vehicle maintenance costs and unemployment insurance.

We often say that organizing FedEx is critical to our long-term ability to negotiate strong contracts for UPS Teamsters. Here are some numbers that illustrate this point:

Average Hourly Wages For a Full-Time Driver + Average 2010 Benefits Per Hour (Health & Welfare, Pension) = TOTAL

UPS Package Driver \$29.74 + \$15.01 = \$44.75

FedEx Express Driver \$21.54 + \$5.33 = \$26.87

\$17.88 = The difference between the average hourly total wages and benefits between a UPS package car driver and FedEx Express driver

Average Hourly Wages For a F/T Driver + Average 2010 Benefits Per Hour (Health & Welfare, Pension) = TOTAL

UPS Feeder Driver \$30.13 + \$15.01 = \$45.14

FedEx Express Feeder Driver \$24.16 + \$5.33 = \$29.49

\$15.65 = The difference between the average hourly total wages and benefits between a UPS feeder driver and FedEx Express counterpart

Average Hourly Wages For a Part-Time Air Driver + Average 2010 Benefits Per Hour (Health & Welfare, Pension) = TOTAL

UPS P/T Air Driver \$22.11 + \$14.66 = \$36.77

FedEx Express P/T Driver \$17.70 + \$.60* = \$18.30*

\$18.47 = The difference between the average hourly total wages and benefits between a UPS part-time driver and FedEx Express counterpart

Average Hourly Wages For a Part-Time Inside Worker + Average 2010 Benefits Per Hour (Health & Welfare, Pension) = TOTAL

UPS P/T inside \$13.92 + \$14.66 = \$28.58

FedEx Express P/T inside \$15.80 + \$.60* = \$16.40*

\$12.18 = The difference between the average hourly total wages and benefits between a UPS part-time inside worker and the FedEx Express counterpart

** To the best of our knowledge, FedEx offers very limited health insurance on a voluntary basis, and it is our belief that the employee contribution covers most, if not all, of the costs. In addition, a part-time employee is not eligible to participate in pension, however, \$.60/per hour is the maximum match that FedEx would contribute to his/her 401(k) (assuming that the part-time employee participates in the 401(k) at the fullest possible level).*

A Message from Ken Hall



I hope you have had a happy holiday and I wish you and your family the best for the New Year. This update contains important information regarding issues that affect all UPS Teamster members.

As you are aware, UPS has stepped up harassment of our members and imposed unreasonable production standards on its work force. During the last shop steward conference call, I asked all stewards and local unions to pay special attention to documenting incidents of harassment in order to bolster our grievances and put us in a strong position to fight back and address the problem.

Thanks to your hard work and the strong cases you have brought to the grievance panels, UPS has heard our demands.

I have told UPS management that we will not tolerate this harassment

and it must stop immediately. I have also warned them that our members, stewards and agents are paying close attention to this issue.

UPS management has agreed to review their conduct nationwide and put an end to the harassment. Please continue to monitor this issue and make certain that your shop stewards and agents are aware of any problems you have with harassment due to unrealistic and unreasonable production standards. Don't let your voice go unheard.

The Teamsters also will not let the voices of FedEx workers go unheard. When we started the campaign to organize FedEx, we knew it would not be easy to battle FedEx's millions and its army of lobbyists.

Unfortunately, Congress did not pass the Express Carrier Employee Protection Act in 2010 that would have leveled the playing field for FedEx Express employees. But this does not end our battle to get this important legislation passed.

We are working on new avenues and seeking other political allies to get this measure passed to make it easier for FedEx workers to organize. The Teamsters remain committed to organizing all workers at FedEx and we continue to work hard on their behalf.

I want to thank all of the UPS and UPS Freight workers who have devoted their time to this campaign. We will be calling upon you again in the near future.

The Teamsters Union will continue to support the lawmakers that are on our side. We'll work hard to convince those not yet standing with us that there is something more important than having a big campaign war chest. It's called doing what's right by the people that got you elected in the first place.

Ken Hall

DRIVE is a political committee that furthers labor-related goals, including making contributions to support candidates for local, state and federal offices. Individuals may refuse to join or contribute without fear of reprisal.

Find out more about this exciting program by talking to your local union, or on the web at www.teamster.org/drive



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